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20 AUG 1976

MEMORANDUM FOR: Chief, Management Assessment Staff, DDA

FROM : Robert W. Gambino
Director of Security

SUBJECT : Presidential Management Initiatives

REFERENCE : Routing & Record Sheet dtd 16 Aug 76
from C/MAS/DDA, same subject

1. Pursuant to reference request, the Office of Security submits the following as "functions against which we maintain productivity measurements."

- a. Overseas and Domestic Security Surveys
- b. Overseas and Domestic Technical Security Support
- c. Technical Security Equipment Instruction
- d. Field Investigative Assignments
- e. Information Release (Handling of requests under the Freedom of Information Act, the Privacy Act and EO 11652)

2. Reference also requested the description of "past studies on contracting out functions" and specific comments on the feasibility of commercial contract for guard services. While no formal comprehensive study has been conducted previously, the Office of Security has addressed, at least in concept, the feasibility of a contract guard service. We have demurred from undertaking a full-scale study of this proposal because factors weighing heavily against such implementation completely negate any advantages derived from conversion to a contract guard force.

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a. Principal among these factors is the fact that a contract guard force would lack arrest power. Officers of the Federal Protective Service (FPS) have this power and have been required in several instances to use it.

b. The legality of contract guards carrying firearms varies among governmental jurisdictions, e.g., they may carry firearms in the District of Columbia but are precluded from doing so in [REDACTED] Virginia.

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c. The training of Federal Protective Officers is accomplished under a well organized program by the FPS. Contract guard personnel are subject to the quality of training provided by the contractor which may vary from one commercial firm to another. To insure uniform quality and understanding of Agency needs, it would be necessary to establish an Agency program to train each newly assigned guard to accommodate the peculiar needs of the Agency.

d. The FPS has indicated that contract guard services are procured via the normal contracting mechanism. The low bidder for any given year could well necessitate the wholesale changeover of a given guard force. In the case of CIA, this would be counterproductive both in terms of cost and quality of security provided.

e. The use of FPOs provides a relatively high degree of stability among guard personnel in Agency facilities. However, there has always been some difficulty in obtaining FPOs since not all personnel employed by FPS can meet our security standards even though they are subject to a screening process prior to employment by FPS. The problem of procuring suitable personnel who could meet our Agency security criteria via the commercial contract system would undoubtedly exacerbate this difficulty.

f. Another consideration to be addressed in a conversion to a contract guard force would be the initial monumental task and expense of investigating, clearing, and polygraphing approximately 300 guards required for coverage of Agency facilities. This undertaking would recur with each change in the contractor.

g. Finally, it is believed that replacement of the existing Federal Protective Service mechanism with a

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contract force would not result in any substantial cost savings. In fact, the costs, we surmise, would be about equal to that required to maintain the Federal Protective Service complement.

3. In December 1975, the Office of Security conducted a limited study concerning the cost factors of commercially contracted investigations. The Office of Security researched the cost factors associated with the maintenance of the current investigative capabilities and those projected under commercially contracted investigations. In short, this study determined that the in-house investigations would cost appreciably less than commercially contracted investigations.

4. While that study accented the comparative costs between in-house and commercially contracted investigations, it would have been incomplete without at least a reference to the fact that other factors and risks are associated with commercial investigations. Paramount among these factors is recognition that, even if we commercially contracted our investigative activities, the Office of Security at Headquarters would still have to adjudicate the results of the investigations. To insure a continuing quality control over these investigations, it is probable that the adjudication process would involve much more review of the investigative results and reports than is currently needed. The additional depth in the review process would dictate an increase in the manpower assigned to our Clearance Division.

5. Other issues associated with commercial investigations include the quality of the investigative work even with increased Headquarters monitoring. Indeed, the acceptability by other agencies of clearances based on commercial investigations is unknown. Further, commercially conducted investigations would necessitate the release to non-CIA employees of considerable information about sensitive

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